



Arnold Schwarzenegger  
Governor

November 17, 2009  
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Ms. Kathy Zwart, Director  
Santa Cruz County Workforce Investment Board  
1000 Emeline Avenue  
Santa Cruz, CA 95060

Dear Ms. Zwart:

WORKFORCE INVESTMENT ACT  
85-PERCENT PROGRAM REVIEW  
FINAL MONITORING REPORT  
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the Santa Cruz County Local Workforce Investment Area's (Santa Cruz County LWIA) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Ms. Molly Maloney from January 5, 2009, through January 9, 2009.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by Santa Cruz County LWIA with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with Santa Cruz County LWIA representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, Santa Cruz County LWIA's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on April 6, 2009, and reviewed your comments and documentation before finalizing this report. Because your response adequately addressed the finding cited in the draft report, no further action is required and we consider the issue resolved.

## **BACKGROUND**

The Santa Cruz County LWIA was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, Santa Cruz County LWIA was allocated: \$1,029,068 to serve 327 adult participants; \$1,202,038 to serve 258 youth participants; and \$1,031,836 to serve 251 dislocated worker participants.

For the quarter ending September 2008, Santa Cruz County LWIA reported the following expenditures for its WIA programs: \$163,446 for adult participants; \$251,597 for youth participants; and \$243,989 for dislocated worker participants. In addition, Santa Cruz County LWIA reported the following enrollments: 206 adult participants; 178 youth participants; and 140 dislocated worker participants. We reviewed case files for 30 of the 179 participants enrolled in the WIA program as of January 5, 2009.

## **PROGRAM REVIEW RESULTS**

While we concluded that, overall, Santa Cruz County LWIA is meeting applicable WIA requirements concerning grant program administration, we noted an instance of noncompliance in the area of: Workforce Investment Board membership. The finding that we identified in this area, our recommendation, and Santa Cruz County LWIA proposed resolution of the finding is specified below.

### **FINDING 1**

- Requirement:** WIA Section 117(b)(2)(A) states, in part, that membership of each local board shall include representatives of each of the One-Stop partners, and representatives of labor organizations.
- Observation:** Santa Cruz County LWIA's local workforce investment board has not had, since October 2006, a representative of their One-Stop partner, the National Council on Aging.
- Recommendation:** We recommended that Santa Cruz County LWIA provide the Compliance Review Office (CRO) with a corrective action plan, including a timeline, for appointing the required member currently not represented on the board. We also recommended that once

this position is filled, Santa Cruz County LWIA provide CRO with an updated roster of all members.

**Santa Cruz  
County LWIA  
Response:**

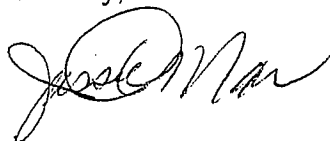
The Santa Cruz County LWIA stated that they requested the National Council on Aging (NCOA) to nominate a representative to the board. Nicholas de Lorenzo, Director Western Region of NCOA agreed to serve effective April 2009.

**State Conclusion:** The Santa Cruz Workforce Investment Board roster dated June 12, 2009 lists Mr. de Lorenzo as the National Council on Aging representative. Additionally, the Santa Cruz Workforce Investment Board meeting minutes dated April 29, 2009 list Mr. de Lorenzo as a member in attendance. We consider this finding resolved.

Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is Santa Cruz County LWIA's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain Santa Cruz County LWIA's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Mechelle Hayes at (916) 654-1292.

Sincerely,



JESSIE MAR, Chief  
Compliance Monitoring Section  
Compliance Review Office

cc: Jose Luis Marquez, MIC 50  
Dathan O. Moore, MIC 50, or  
Doug Orlando, MIC 50  
Daniel Patterson, MIC 45